

**TENNESSEE STATE SCHOOL BOND AUTHORITY
SEPTEMBER 21, 2016
AGENDA**

- Call meeting to order
- Approval of Minutes from the TSSBA meeting of July 14, 2016
- Approval of Projects for:

The University of Tennessee

- University of Tennessee Chattanooga - West Campus Housing (A80); Cost: \$83,000,000 which includes an increase in financing from TSSBA of \$3,000,000 for a total of \$77,088,000; Term of Financing: 30 years as long-term financing
 - University of Tennessee, Knoxville - Lake Avenue Parking Garage (A81); Cost: \$28,000,000 which includes an increase in financing from TSSBA of \$2,200,000 for a total of \$23,500,000; Term of Financing : 30 years as long-term financing
 - University of Tennessee Health Science Center- Energy Performance Contract (A88); Cost: \$5,500,000 all of which will be financed by TSSBA; Term of Financing: 5 years as short-term financing
- Adjourn

TENNESSEE STATE SCHOOL BOND AUTHORITY

July 14, 2016

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Thursday, July 14, 2016, at 1:30 p.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee.

The following members were present:

Honorable Justin Wilson, Comptroller
Honorable Tre Hargett, Secretary of State of Tennessee
Honorable David Lillard, State Treasurer
Larry Martin, Commissioner of Finance and Administration
Acting Chancellor David Gregory, Tennessee Board of Regents
Ron Maples, proxy for Dr. Joe DiPietro, President, University of Tennessee

The following member was absent:

Honorable Bill Haslam, Governor

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on June 9, 2016. Mr. Gregory moved approval of the minutes. Mr. Lillard seconded the motion and it was unanimously approved

Mr. Wilson then recognized Mr. Dick Tracy, Executive Director, Facilities Development, to present the following project for consideration for the Tennessee Board of Regents:

- Tennessee Technological University- Parking & Transportation Improvements (927); Cost: \$14,250,000 of which \$13,250,000 will be financed by TSSBA; Term of Financing: 20 years as long-term financing

Mr. Hargett moved approval of the project. Ms. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Robbi Stivers, Executive Director, Office of Capital Projects, to present the following project for consideration for the University of Tennessee:

- University of Tennessee, Chattanooga- Engel Intramural Sports Complex; Cost (A86): \$7,710,000 of which \$4,835,000 will be financed by TSSBA; Term of Financing: 20 years as long-term financing

Mr. Hargett moved approval of the project. Mr. Lillard seconded the motion and it was unanimously approved.

Mr. Stivers then presented the next project for consideration for the University of Tennessee:

- University of Tennessee, Knoxville - Haslam Field Expansion (A87); Cost: \$5,000,000 of which \$5,000,000 will be financed by TSSBA; Term of Financing: 5 years as short-term financing

Mr. Hargett moved approval of the project. Mr. Lillard seconded the motion and it was unanimously approved.

Mr. Wilson asked if there was any other business to be presented. Hearing none, Mr. Wilson adjourned the meeting.

Approved on this _____ day of _____, 2016

Respectfully submitted,

Sandra Thompson
Assistant Secretary

Tennessee State School Bond Authority Feasibility Study

Individual Project Summary

Revenue Source:	Residence Hall Rental Fees	\$	6,868,500
	Student Transportation Fees		1,164,752
	New Net Parking Decal Revenue		136,972
	Total Revenue Source:		\$8,170,224

Assumptions:	Project Cost	\$77,088,000
	Interest Rate	7.25%
	Tax Status	Tax-Exempt
	Term of Financing	30-Years
	Cost of Issuance	\$1,156,320

Feasibility Test		
	<u>May Principal</u> (No DSRF)	<u>November Principal</u> (no DSRF)
Pledged Revenues	\$8,170,224	\$8,170,224
New Max-Semi Annual DS	\$6,246,019	\$6,187,635
Feasible	Yes	Yes

Prepared on August 15, 2016 by Jacqueline Felland

Project Disclosed in Budget

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2 01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

Tennessee State School Bond Authority
UTC West Campus Housing and Garage Project Application
(Revised 8/9/2016)

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Chattanooga

PROJECT: UTC West Campus Housing and Garage

SBC PROJECT #: 540/005-01-2014

PROJECT BUDGET:

		Original	Revised	Total
Funding Sources:	TSSBA	\$74,088,000	\$3,000,000	\$77,088,000
	Other: Auxiliary Reserves	5,912,000		5,912,000
	Total	\$80,000,000	\$3,000,000	\$83,000,000

PROJECT REVENUES: (Describe sources and projected levels)

The University of Tennessee's Chattanooga campus will fund the West Campus Housing and Garage project through a combination of bonded debt (\$77.088M) and Plant Funds Auxiliary reserves (\$5.912M). The bonded debt payment and operational expenses will be covered through three sources of revenue: 1) Residence hall revenues rates (600 beds x \$12,050 rental rate, fall (100%) and spring (90%) estimated occupancy = \$6,868,500); 2) Transportation Fee/Parking Facility Revenue Component (291,188 student credit hours charged x \$4 per credit hour = \$1,164,752); and 3) Parking Decal revenue at \$136,972. \$3.912M will come from Housing reserves and \$2M will come from Transportation Fee/Parking Facility Revenue Component reserves.

PROJECT LIFE:

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

ESTIMATED ANNUAL FINANCING CHARGE: \$6,530,000

PROJECT APPROVAL DATES:

BOARD: 11/2012

THEC: 11/2012

SBC: 4/2014; 2/2015;
5/2015; 9/2016

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2014

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

The \$83M project includes the construction of approximately 600 beds of student housing with a 600+ parking structure beneath and adjacent to the building. A food service operation and a small bookstore are proposed to be included in the ground floor of the housing complex. Further site development includes pedestrian pathways and a 6-count tennis center. The total site encompasses almost 5 acres of university-owned land.

REAL ESTATE:

Owner of real property The University of Tennessee

 To be acquired To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Construction
2. Project completion estimated to be: Summer 2018
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: To provide 600 beds of housing for UTC students and approximately an additional 600+ parking spaces.
6. Intended Users of the Project (excluding use by the general public): UTC Students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 223,250 sf (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage ~ 400

Operator University of Tennessee

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? Yes

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage 1,520 sf

Type Bookstore

Operator Barnes & Noble

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage 960 sf

Operator University of Tennessee

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? Yes

E. Cafeteria or other food services areas:

Square Footage 6,600 sf

Operator Aramark

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant _____

Resident Director, Asst
Resident Director (UT
Employees)

I. Provision of housing for persons or entities other than enrolled students:

Square Footage 2,000 sf

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

Aramark and Barnes & Noble.

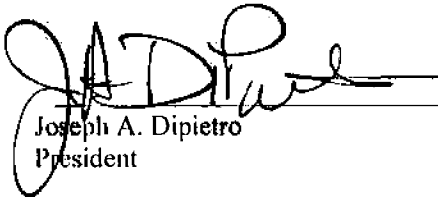
9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

None

11. Additional information not explained above. N/A

Completed this 9th day of August, 2016.


Joseph A. Dipietro
President


Robbi Stivers, Executive Director
Office of Capital Projects


Ben Maples
Interim Treasurer & Chief Financial Officer

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	<u> </u>
	GOOD	<u> </u>
	5%	<u> </u>
	10%	<u> </u>

Tennessee State School Bond Authority Feasibility Study

Individual Project Summary

Revenue Source:	Parking Fee	\$	1,890,000
	Campus operating Budget		140,000
	Total Revenue Source:		\$2,030,000

Assumptions:	Project Cost	\$23,500,000
	Interest Rate	7.25%
	Tax Status	Tax-Exempt
	Term of Financing	30-Years
	Cost of Issuance	\$352,500

Feasibility Test		
	<u>May Principal</u> (No DSRF)	<u>November Principal</u> (no DSRF)
Pledged Revenues	\$2,030,000	\$2,030,000
New Max-Semi Annual DS	\$1,904,076	\$1,886,279
Feasible	Yes	Yes

Prepared on August 15, 2016 by Jacqueline Felland

Project Disclosed in Budget

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2 01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges

Tennessee State School Bond Authority
UTK Lake Avenue Parking Garage Project Application
(Revised 8/12/2016)

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Knoxville

PROJECT: UTK Lake Avenue Parking Garage

SBC PROJECT #: 540/009-06-2015

PROJECT BUDGET:

		Original	Revised	Total
Funding Sources:	TSSBA	\$21,300,000	\$2,200,000	\$23,500,000
	Other: Plant Auxiliary -- Parking	\$1,000,000	\$3,500,000	\$4,500,000
Total		\$22,300,000	\$5,700,000	\$28,000,000

PROJECT REVENUES: (Describe sources and projected levels)

Annual debt service to be funded by parking fee revenue. Parking services is a self-supporting auxiliary Enterprise, generating revenue paid by faculty, staff, students, and special event parking. Projected calculations are as follows: Faculty/Staff permits, Student permits, and Special event parking revenue all totals to \$1.89M. Other revenue of \$140,000 will be funded from the campus operating budget. The \$4.5M cash portion of the project will be funded by Parking Services.

PROJECT LIFE:

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

ESTIMATED ANNUAL FINANCING CHARGE: \$2,030,000

PROJECT APPROVAL DATES:

BOARD: 10/3/2014

THEC: 11/20/2014

SBC: 6/2015;
9/2016

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2015

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This project will provide approximately 900 – 1,000 parking spaces in a garage located east and adjacent to the Existing Lake Avenue garage. This structure would fully occupy the available footprint, require expanding upon or Addition to utilities from KUB, and general upgrade of the existing garage.

REAL ESTATE:

Owner of real property The University of Tennessee

 To be acquired To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Planning and design
2. Project completion estimated to be: 2018
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: Student parking
6. Intended Users of the Project (excluding use by the general public): Students
7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses.

For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building N/A (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator _____

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type _____

Operator _____

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? N/A

E. Cafeteria or other food services areas:

Square Footage N/A

Operator _____

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A


9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: N/A

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above. None

Completed this 12th day of August, 2016.


Joseph A. Dipietro
President


Robbi Stivers, Executive Director
Office of Capital Projects


Ron Maples
Interim Treasurer & Chief Financial Officer

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____

Tennessee State School Bond Authority Feasibility Study

Individual Project Summary

Revenue Source:	Plant funds/Energy Savings	\$	1,184,000.00
	Total Revenue Source:	\$	1,184,000.00
Assumptions:	TSSBA Funding Requested	\$	5,500,000.00
	Interest Rate		2.50%
	Status		Taxable
	Term of Financing		5

Feasibility Test	
	<u>Annual</u> Short-Term Pmt
Pledged Revenue	\$1,184,000
New Max-Semi Annual DS	\$1,183,858
Feasible	Yes

*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01(b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.

Tennessee State School Bond Authority
UTHSC Energy Performance Contract Project Application

DEPARTMENT: University of Tennessee

INSTITUTION/LOCATION: Health Science Center / Memphis

SBC PROJECT #: 540/013-xx-2016

PROJECT BUDGET:

Funding Sources:	<u>TSSBA</u>	<u>\$5,500,000</u>
	<u>Other:</u>	<u>\$</u>
	Total	<u><u>\$5,500,000</u></u>

PROJECT REVENUES: (Describe sources and projected levels)

Annual debt service of \$1,184,000 will be funded by Plant Funds and/or savings derived from the use of more
energy efficient equipment. Revenues from savings will be applied over the life of the project.

PROJECT LIFE:

Anticipated Useful Life of Project: 15 years

Desired Term for Financing (if less than useful life): 5 years

ESTIMATED ANNUAL FINANCING CHARGE: \$ 1,184,000

PROJECT APPROVAL DATES:

BOARD: 10/09/2015

THEC: 11/20/2015

SBC: 07/14/2016

Disclosed in the Governor's Budget: X Yes No If yes, what year? 2016

PROJECT DESCRIPTION: Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

The project will plan, assess, and evaluate campus wide building systems identifying improvements to reduce campus utility costs. It also includes replacement of mechanical, lighting, and plumbing equipment. Work to be executed in subprojects.

REAL ESTATE:

Owner of real property The University of Tennessee

 To be acquired

 To be leased or other arrangement

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Planning & Design
2. Project completion estimated to be: 2019
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: Improve energy efficiency across the UTHSC campus
6. Intended Users of the Project (excluding use by the general public): Students, Faculty, and Staff
7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies

in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building N/A (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A

Operator _____

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A

Type _____

Operator _____

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A

Operator _____

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? _____

E. Cafeteria or other food services areas:

Square Footage N/A

Operator _____

F. Provision of health care services:

Square Footage N/A

Operator _____

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A

Recipient _____

H. Office space utilized by or on behalf of private entities:

Square Footage N/A

Occupant _____

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A


9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above. None

Completed this 16th day of June, 2016.


Joseph A. DiPietro
President


Robbi Stivers, Executive Director
Office of Capital Projects


Ron Maples, Interim CFO & Treasurer

To be filled out by the Authority

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____